ESTTA Tracking number: **ESTTA137512**

Filing date: **04/25/2007**

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD

Proceeding	91175892
Party	Plaintiff Microsoft Corporation Microsoft Corporation Microsoft Corporation One Microsoft Way Redmond, WA 98052-6399 UNITED STATES
Correspondence Address	William O. Ferron, Jr. Seed IP Law Group PLLC 701 Fifth Avenue, Suite 5400 Seattle, WA 98104 UNITED STATES Billf.docketing@SeedIP.com, litcal@SeedIP.com
Submission	Opposition/Response to Motion
Filer's Name	William O. Ferron, Jr.
Filer's e-mail	BillF.docketing@SeedIP.com, litcal@SeedIP.com
Signature	/William O. Ferron, Jr./
Date	04/25/2007
Attachments	SP-Microsoft_sOppToApp_sMotToSuspend(898).PDF (8 pages)(218786 bytes)

THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD

MICROSOFT CORPORATION,	)	
	)	
Opposer,	)	Opposition No. 91175892
	)	
v.	)	Serial No. 78/938513
	)	
MARK T. DANIEL,	)	
	)	
Applicant.	)	
	)	Attorney Docket No. 664005.898

OPPOSER'S OPPOSITION TO
APPLICANT'S MOTION TO SUSPEND

Opposer Microsoft Corporation owns senior common law rights to the mark ZUNE, a coined mark used for its new digital music/MP3 player. Applicant Mark T. Daniel filed applications for ZuneGear and ZuneSleeve "protective carrying cases" specifically designed for use with Microsoft's ZUNE music players *after* learning of Microsoft's ZUNE mark. Microsoft filed a Notice of Opposition in each of Applicant's ZuneGear and ZuneSleeve applications, Opposition Nos. 91175893 and 91175892 respectively.

Applicant's request to suspend the oppositions should be denied. Suspension would serve only to delay the instant oppositions and prejudice Microsoft in its enforcement efforts against Applicant and other copycat applicants. Moreover, Applicant should be required to timely Answer allegations in the Notices of Opposition and respond to discovery requests that will confirm his knowledge of and intent to trade off Microsoft's ZUNE mark, thereby providing evidence that should bring the oppositions to a prompt resolution.

1. Microsoft's Senior Common Law Rights in ZUNE

Microsoft's ZUNE music player was developed to compete with Apple's iPod, so its introduction and naming were a source of significant interest to consumers and the industry. [Declaration of William O. Ferron, Jr. ("Ferron Decl.") ¶ 3]. Microsoft selected the ZUNE name as early as May 2006 and word of its selection became public shortly thereafter. [Ferron Decl. ¶ 3; Opp'n ¶ 6]. Microsoft's official public announcement of the ZUNE name was in the July 21, 2006 issue of Billboard magazine, but the information was published and known to users and the industry by July 11, 2006 or earlier. [Ferron Decl. ¶ 3; Opp'n ¶ 6]. For example, at least as early as July 11, 2006, various internet blogs and discussion forums announced Microsoft's choice of "Zune" as the name of its new MP3 player. [Ferron Decl. ¶ 4.] One blog reported:

> Microsoft's iPod Killer is Officially Named ZUNE! ... Our inboxes are on fire with brand new information about the new Microsoft MP3 player. We thought the player was code-named "Argo", but we now got word that the final product name that's been flying around is the "Zune"!

[Ferron Decl. ¶ 3.] Throughout the month of July 2006, prior to Applicant's trademark application filings, internet blogs, discussion forums and on-line new magazines continued with chatter about Microsoft's new Zune player, producing multiple reports of the Zune name and Microsoft's use for a whole family of Zune products and services such as an on-line music service and an Xbox-like portable video game machine. [Ferron Decl. ¶ 3.]

Since at least July 11, 2006, the public has been aware of and began associating the ZUNE mark with Microsoft, and since that time Microsoft has continuously used the ZUNE mark in commerce to promote its digital media player, accessories therefor and online music and video sales and services. [Ferron Decl. ¶¶ 3-4; Opp'n ¶ 7]. For example, Microsoft's ZUNE websites sell music and videos and offer information on music, video and entertainment topics (*see, e.g.*, www.zune.net). [Ferron Decl. ¶ 4].

Moreover, Microsoft's ZUNE mark has experienced considerable commercial success and Microsoft expects to sell 1 million ZUNE MP3 players by June of 2007, and to spend at least $100 million promoting its ZUNE goods and services. [*See* Ferron Decl. ¶ 5].

2. Suspension Is Not Appropriate Because Microsoft Has Senior Rights Over Applicant—With or Without Its ZUNE Trademark Applications

After learning of Opposer's ZUNE mark, Applicant appears to have rushed out and filed applications for ZuneSleeve and ZuneGear for "protective carrying cases for portable music players namely MP3 players," goods obviously designed for use with Microsoft's ZUNE MP3 player. [Opp'n ¶ 11]. Opposer has senior rights to the ZUNE mark arising from prior analogous trademark use, such as its public announcements, open and public preparations for the launch of its ZUNE products and services, and subsequent continuous sales and promotion of its MP3 music player and complementary goods and services:

> It is well established that a plaintiff in a proceeding such as this need not establish prior use of a designation in a technical trademark or service mark manner in order to prevail when the proceeding is based on the ground of likelihood of confusion, mistake, or deception under Section 2(d) of the Act, it being sufficient for the purpose that plaintiff establish priority of use of the designation in connection with a product or service in interstate or intrastate commerce in a manner analogous to trademark or service mark use, *i.e.*, use as a grade mark, use in advertising, use as the salient feature of a trade name, or any other manner of public use, provided that the use has resulted in the development of a trade identity, *i.e.*, is an open and public use of such nature and extent as to create, in the mind of the relevant purchasing public, an association of the designation with the plaintiff's goods or services.

Jimlar Corp. v. The Army and Air Force Exchange Service, 24 USPQ2d 1216, 1221 (TTAB 1992) (display of mark in association with goods at industry trade fair sufficient to defeat opposed application); *see also* TBMP § 309.03(c)(A) (priority sufficient to defeat opposed application may be established through "prior use analogous to trademark or service mark use"); *see also, Marvel Comics Ltd. v. Defiant*, 837 F. Supp. 546, 549

(S.D.N.Y. 1993) (public announcement of "Plasmer" comic book title sufficient to establish senior rights, despite lack of sales before defendant's adoption of similar mark).

Applicant has not used the ZuneGear and ZuneSleeve marks and his application filing dates are *after* public announcements of Microsoft's ZUNE mark, *after* the consuming public became aware of Microsoft's ZUNE products and services, and *after* the consuming public began associating the ZUNE mark and highly anticipated Zune MP3 player with Microsoft. [Ferron Decl. ¶ 6]. Suspension of the current oppositions is not appropriate because Microsoft has priority regardless of whether its applications are allowed and register. This is especially true when a junior user files a conflicting application with full knowledge of the senior user's prior use, the junior user should have its application refused and/or cancelled because the Applicant's filing is not in good faith—"Under these circumstances, [the Board finds] that [applicant's] adoption was not a good faith, innocent adoption and that [applicant's] adoption and use of the mark was at its own peril." *Woman's World Shops Inc. v. Lane Bryant Inc.*, 5 USPQ2d 1985, 1988 (TTAB 1988) (concurrent use application refused because applicant "adopted a mark virtually identical to a previously used mark for virtually identical services and that this adoption was with full knowledge of the prior use"); *see also Caesars World, Inc. v. Milanian*, 247 F. Supp. 2d 1171, 1184, 1192-93 (D. Nev. 2003) (ITU application for THE COLOSSEUM filed less than two weeks after plaintiff announced construction facility under same name filed in bad faith and void *ab initio*, being nothing more than a pretext for applicant's effort to reserve rights in plaintiff's mark).

3. Applicant's Motion Seeks to Delay Answering Microsoft's Allegations and Admitting His Prior Knowledge and Intent to Trade Off Microsoft's ZUNE Mark

By requesting suspension in lieu of filing an Answer, Applicant seeks to avoid answering pointed allegations that he (1) knew of Opposer's ZUNE mark when he filed his applications for ZuneGear and ZuneSleeve, and (2) selected his marks for

complementary goods and to call Microsoft's ZUNE mark to mind. [Opp'n ¶¶ 11-13 & 17]. Indeed, Applicant has yet to file an Answer in either opposition and is currently in default. Suspension would also put off Applicant's timely response to outstanding discovery requests that should provide dispositive proof that the opposed applications should be cancelled. [*See* Ferron Decl. ¶ 7].

Although Applicant appears *pro se*, he is admitted to the bar of Virginia and therefore presumably knows and seeks to avoid the legal consequences of filing his Answer to the pointed allegations in the Notices of Opposition and admitting in discovery responses, *inter alia*, that (1) he knowingly choose the ZuneGear and ZuneSleeve marks to refer to Microsoft's ZUNE mark and (2) his applications seek registration for goods designed specifically for use with Microsoft's ZUNE music player. [*See* Ferron Decl. ¶ 8]. Microsoft's outstanding discovery requests will confirm that Applicant filed ZuneGear and ZuneSleeve applications with prior knowledge of Microsoft's ZUNE mark, seeking registration for complementary goods designed specifically for use with Microsoft's ZUNE digital music/MP3 player. [*See* Ferron Decl. ¶ 7].

4. Delay Will Prejudice Microsoft's Enforcement Efforts and Encourage Others to Copy and Trade Off the ZUNE Mark

Delay in proceeding against the present ZuneGear and ZuneSleeve applications will encourage others to copy Microsoft's ZUNE mark and to mistakenly believe they can put "ZUNE" in their own mark for complementary products sold for use with Microsoft's ZUNE music players. Microsoft should be permitted to rely on its senior common law rights to timely challenge these applications.

Microsoft's introduction of its ZUNE product and mark has already spawned various copycat filings in addition to these two by Applicant, such as applications for ZUNE (Sn. 78/947505), ZUNE TUNES (Sn. 78/947525), and ZUNE MUSIC (Sn. 78/947538).

Suspending these oppositions would also prejudice Microsoft because these other copycat applications will remain pending longer than necessary if they are suspended in light of the present ZuneGear and ZuneSleeve applications. The ZUNE application noted above for downloadable music (Sn. 78/947505), for example, was refused in light of Applicant's ZuneGear and ZuneSleeve applications.

From an equity and conservation of resources viewpoint, it is best to allow the present oppositions to continue in the normal course and in parallel with Microsoft's ZUNE applications so that the ZuneGear and ZuneSleeve applications and those referenced above can be timely resolved without encouraging other would-be infringers.

5. No Board Precedent Supports the Present Motion for Suspension That Is Designed to Cause Delay and Prejudice

TBMP Section 510.02(a) provides that the Board has discretion to suspend proceedings, citing to *The Tamarkin Co. v. Seaway Food Town Inc.*, 34 USPQ2d 1587, 1592 (TTAB 1995), where the parties had come to an agreement and filed a joint motion to suspend as part of their resolution of the conflict. Here, the parties have neither filed a joint motion nor come to an agreement. Quite the opposite—Applicant is trying to delay the proceedings to avoid answering allegations of intentional infringement and to delay Opposer's enforcement efforts.

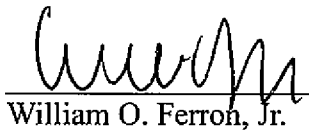
The TBMP offers illustrative examples where equity and conservation of resources may warrant suspension, including a joint stipulated motion, bankruptcy, withdrawal of counsel, potentially dispositive motion, motion to compel discovery and an interlocutory petition to director. TBMP § 510.03(a). Other examples include suspension pending other Board proceedings, civil actions, foreign actions, and ownership disputes. TBMP § 510.02(a). A pending application by an Opposer with senior common law rights is not one of the enumerated examples.

6. Conclusion

For the forgoing reasons, Microsoft asks the Board to deny the instant Motion to Suspend and allow the opposition to proceed in normal course. Microsoft believes that once Applicant is forced to Answer the Notices of Opposition and respond fully to Microsoft's initial discovery requests, dispositive evidence and admissions will be available, thereby leading to a timely resolution. In this way, Microsoft's senior common law rights in the ZUNE mark will be vindicated, allowing Microsoft to properly enforce its ZUNE mark against infringers filing applications designed to refer to, affiliate with, or otherwise trade off of Microsoft's ZUNE mark for other complementary goods and services. Applicant's delay tactic should not be allowed.

DATED this 25th day of April, 2007.

SEED IP Law Group PLLC



William O. Ferron, Jr.
701 Fifth Avenue, Suite 5400
Seattle, Washington 98104
(206) 622-4900
Fax: (206) 682-6031

Attorneys for Opposer
MICROSOFT CORPORATION

940328_1.DOC

CERTIFICATE OF SERVICE

I hereby certify that on this 25th day of April, 2007, the foregoing **OPPOSER'S OPPOSITION TO APPLICANT'S MOTION TO SUSPEND** was served upon Applicant by depositing same with the U.S. Postal Service, first-class postage prepaid, addressed as follows:

Mark T. Daniel
2316 York Road SW
Roanoke, VA 24015-3906

and a copy to:

Patrick J. Stanzione, Esq.
Stanzione & Kim, LLP
919 18th Street N.W., Suite 440
Washington, DC 20006

Robyn Granger

940328_1.DOC